

**Monthly Report to the
Senate Appropriations Committee on Health and Human Services
House of Representatives Appropriations Subcommittee
on Health and Human Services
and
Joint Legislative Oversight Committee
on Mental Health, Developmental Disabilities and Substance Abuse
Services**

Community Support Services

Report for October 2007

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

December 5, 2007

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, and Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services on the use and cost of community support services.

This is the first in this series of reports. As such, it provides baseline data from the initial implementation of community support services on March 20, 2006 through October 2007. The following highlights provide a summary of that baseline information.

Highlights

- In August 2007, about 26,700 children and 14,700 adults received community support services.
- About 1 million hours of community support services were provided to children and adolescents in August 2007.
- About 430,000 hours of community support services were provided to adults in August 2007.
- Total dollars expended in August were approximately \$54.7 million for children and adolescents and \$22 million for adults.
- In August 2007, the use of community support services averaged about 40 hours per month for eight months for children and adolescents and about 29 hours per month for nine months for adults.
- As of October 1, 2007, 1,498 community support providers are active and 197 have been terminated.
- Of the 12,000 post-payment clinical reviews completed by local management entities (LMEs) as of October 1, 2007, about 64% of services were considered medically necessary, but only 11% were considered both necessary and of appropriate duration and intensity.
- As of October 31, 2007, over 200 community support providers have been referred to the Division of Medical Assistance for further scrutiny.
- Far more persons receive community support than the other newly enhanced services that were implemented in March 2006. The greatest numbers of persons receiving other enhanced services in August 2007, were found in psychosocial rehabilitation and assertive community treatment teams.
- The highest *total hours* of services in August 2007– after community support – were for psychosocial rehabilitation and child day treatment. *Average hours per person* for these services during August were double the hours for community support.
- The most expensive services after community support in August 2007 were child day treatment and assertive community treatment teams (each over \$2 million) and psychosocial rehabilitation and community support teams (each about \$1.5 million).

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Community Support Services

October 2007 Report

December 5, 2007

Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to “[evaluate] the use and cost of community support services to identify existing and potential areas of overutilization and overexpenditure.” Section 10.49(ee)(10) further stipulates that the Department will:

“Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:

- a. The number of consumers of community support services by month, segregated by adult and child;*
- b. The number of units of community support services billed and paid by month, segregated by adult and child;*
- c. The amount paid for community support by month, segregated by adult and child;*
- d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
- e. The length of stay in community support, segregated by adult and child;*
- f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
- g. The total number of community support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
- h. The number of community support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
- i. The utilization of other, newly enhanced mental health services, including the number of consumers served by month, the number of hours billed and paid by month, and the amount expended by month.”*

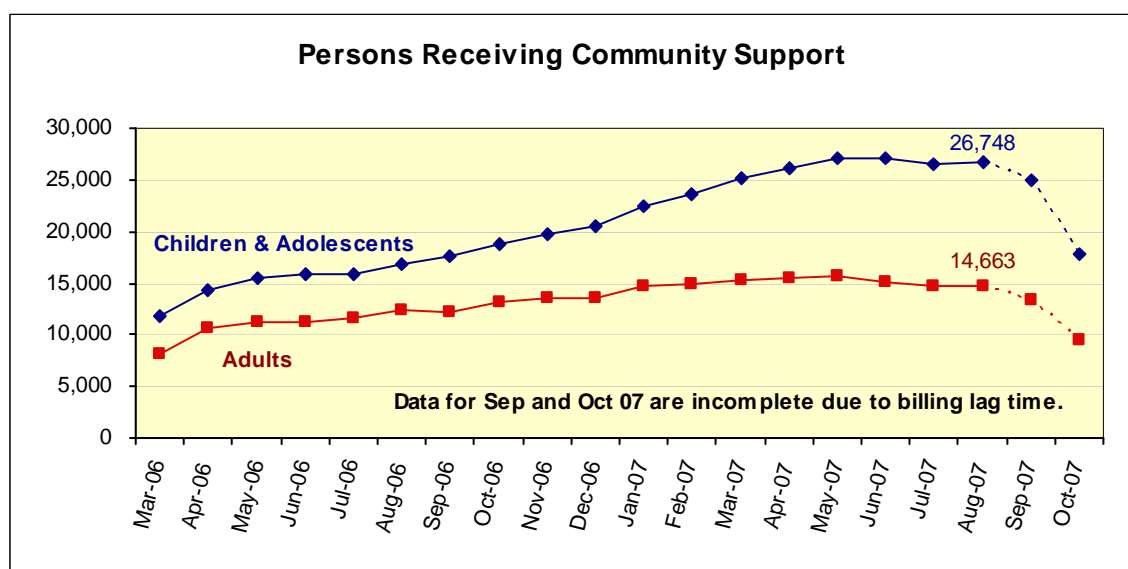
About the Data: The following pages represent the first in this series of reports. As such, they include historic data, in order to capture trends in the use of community support services from the beginning of their implementation. The data is based on Medicaid-funded services provided between March 20, 2006 and October 31, 2007 from service claims paid through October 31, 2007. The data on the following pages – with the exception of Figure 1.4 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See page 6 for more information.) However, caution is necessary in interpreting data for the most recent months, due to the necessary delay in providers’ submission of service claims. *The possibility of incomplete data for the most recent months is represented by dotted lines (- - - - -) in the graphs.*

Use of Community Support Services

Number of Consumers

As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded community support services since its inception in March 2006 had grown to over 26,000 children and adolescents and over 14,000 adults by August 2007. Preliminary data for September - October 2007 (indicated by the dotted lines) suggest a continuation of the leveling off in persons served that began in May 2007.

Figure 1.1



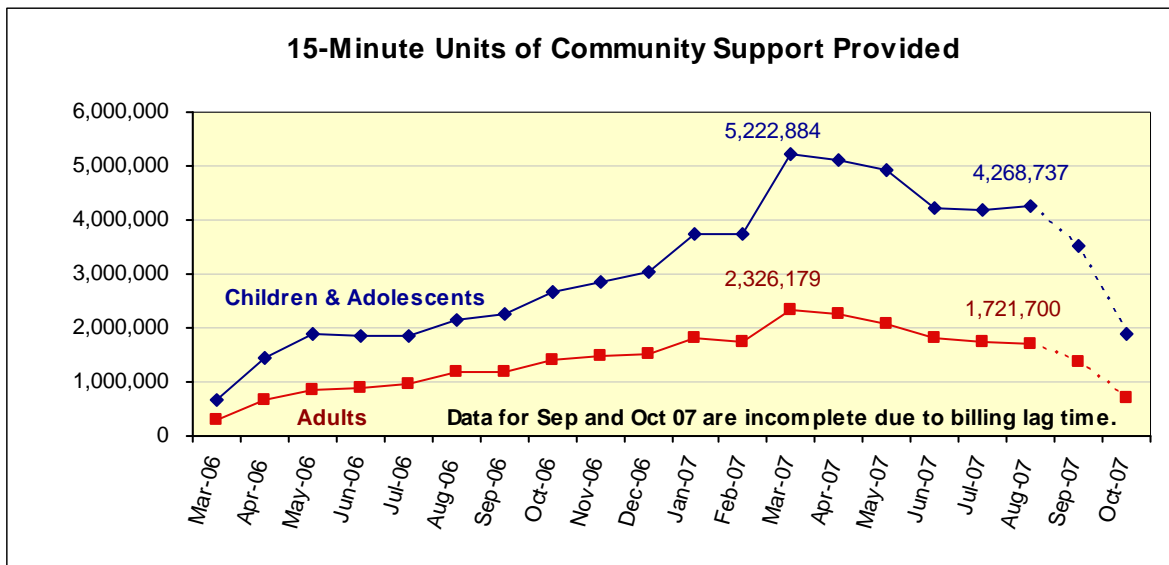
Volume of Services

Figure 1.2 on the following page indicates that the total number of 15-minute units of community support services for children and adolescents grew to a high of over 5.2 million (1.3 million hours) in March 2007 and then declined by 18% to slightly over 4.2 million units (1 million hours) by August 2007.

A similar trend is seen in services to adults, which peaked in March 2007 at 2.3 million units (about 582,000 hours) and then dropped by 26% to 1.7 million units (about 430,000 hours) by August 2007.

This change in the trend occurred shortly after trainings on Medicaid billing, documentation, and community support services began in early 2007.

Figure 1.2



Services by Qualified Professionals and Paraprofessionals

A breakdown of units provided by qualified professionals and by paraprofessionals will be reported, once qualifiers are added to the community support billing codes in December, 2007.

Cost of Services

In order to present the most accurate picture of the cost of community support services, two methods of calculating expenditures are needed.

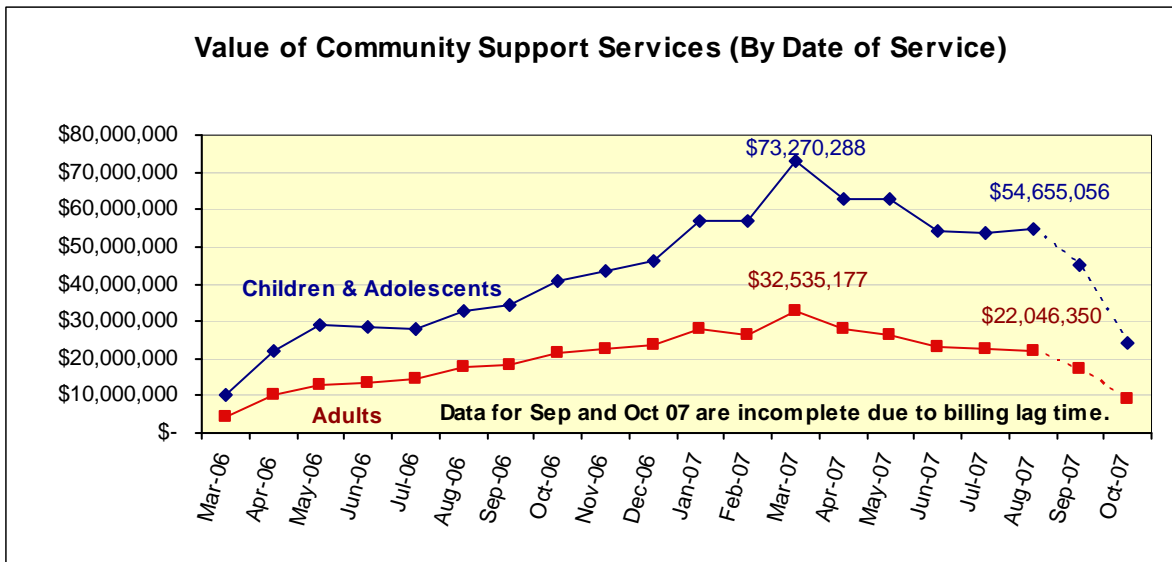
Patterns in service costs are calculated based on the *date of service*. These data (see Figure 1.3) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (September – October 2007) require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.¹

Patterns in service payments are calculated using the *date of payment* of the service claim. This information (see Figure 1.4) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of community support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

As shown in Figure 1.3, the monthly Medicaid cost of community support services reached \$73.3 million for children and adolescents and \$32.5 million for adults in March 2007 before beginning to drop. As of August 2007 the cost of services provided each month appears to be leveling off at about \$54.7 million for children and adolescents and \$22 million for adults.

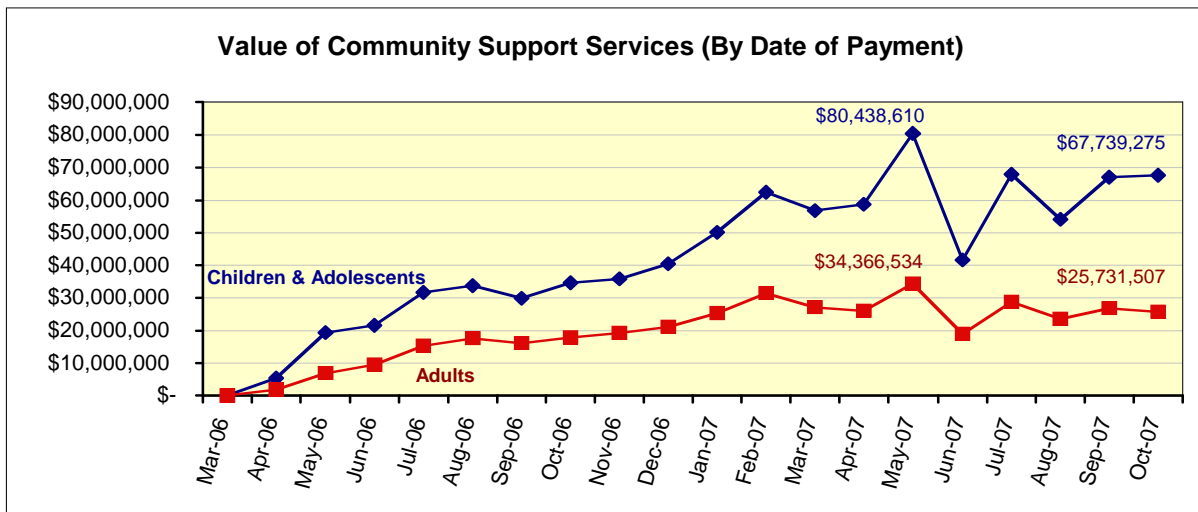
¹ Subsequent reports will update expenditures for previous months to include additional claims as they are paid.

Figure 1.3



In contrast, Figure 1.4 shows that monthly Medicaid payments to providers for community support services did not peak until May 2007. In October, payments totaled about \$67.7 million for children and adolescents and \$25.7 million for adults.

Figure 1.4



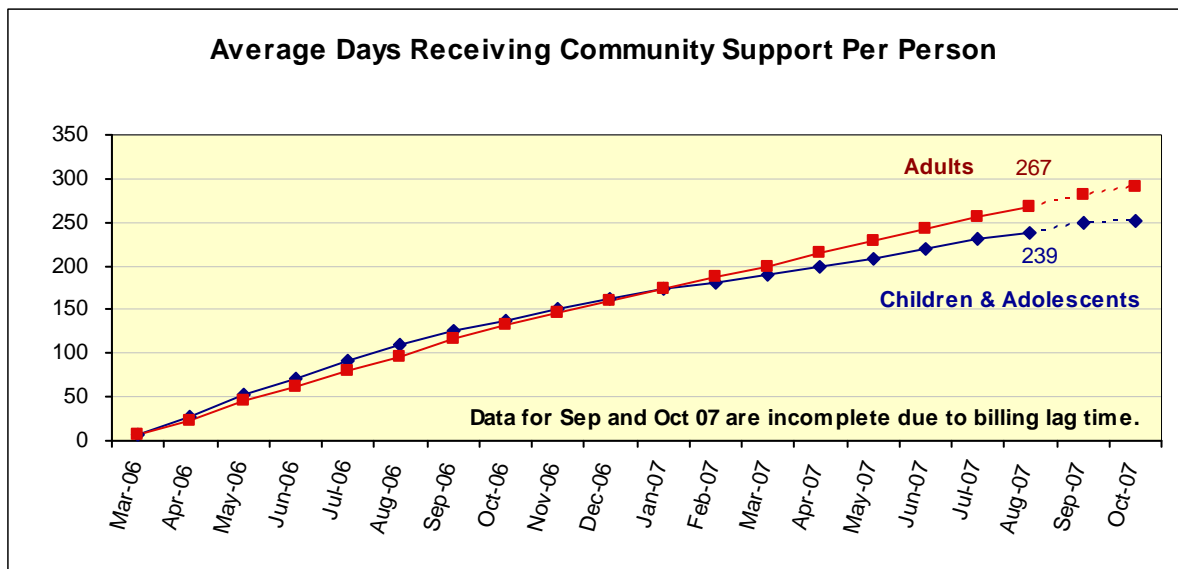
Total expenditures for community support services (not shown) totaled \$842 million for SFY 2006-07 and \$356 million for the first four months of SFY 2007-08 (July – October 2007).

Intensity of Services (Length of Service and Hours Per Person)

The *average length of service* or duration of services, as shown in Figure 1.5 on the next page, shows a steady rise in how long individuals remain in community support services. In August 2007 the average length of service was approximately eight months (239 days) for children and

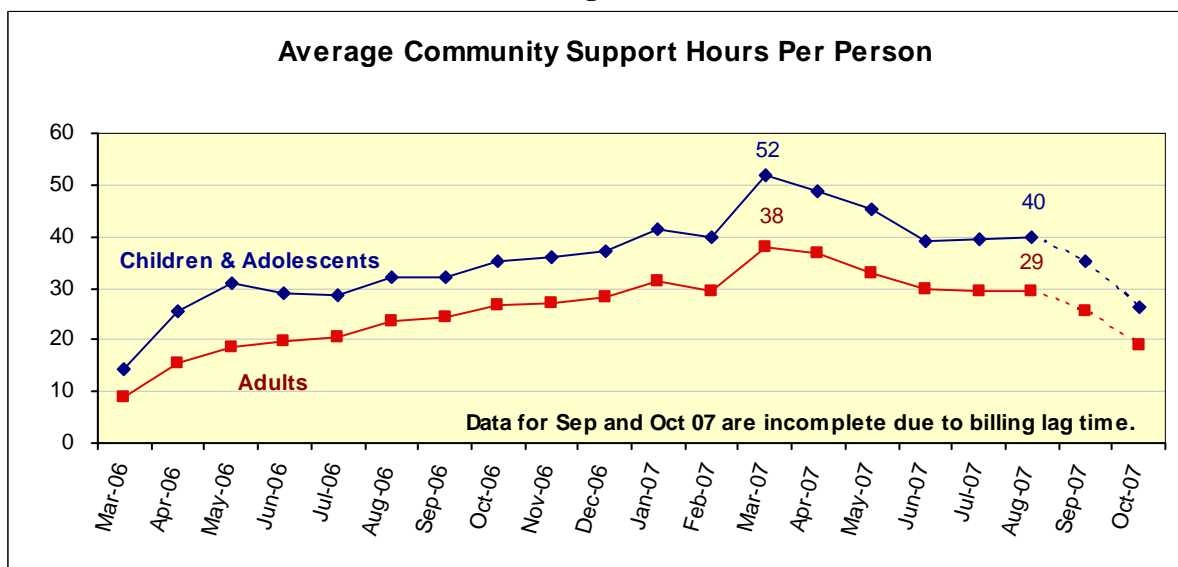
adolescents and nine months (267 days) for adults. Preliminary data for September and October suggest that the average length of service is continuing to rise.

Figure 1.5



Average hours per person per month provides additional information for evaluating the intensity of the services provided. The average hours of community support that each consumer has received each month show a pattern in keeping with trends in units and costs seen earlier. (See Figures 1.2 and 1.3.) As indicated in Figure 1.6 below, the average hours per month leveled off at about 40 hours a month per child/adolescent and 29 hours a month per adult after peaking at 52 hours a month per child / adolescent and 38 hours per adult in March 2007.

Figure 1.6

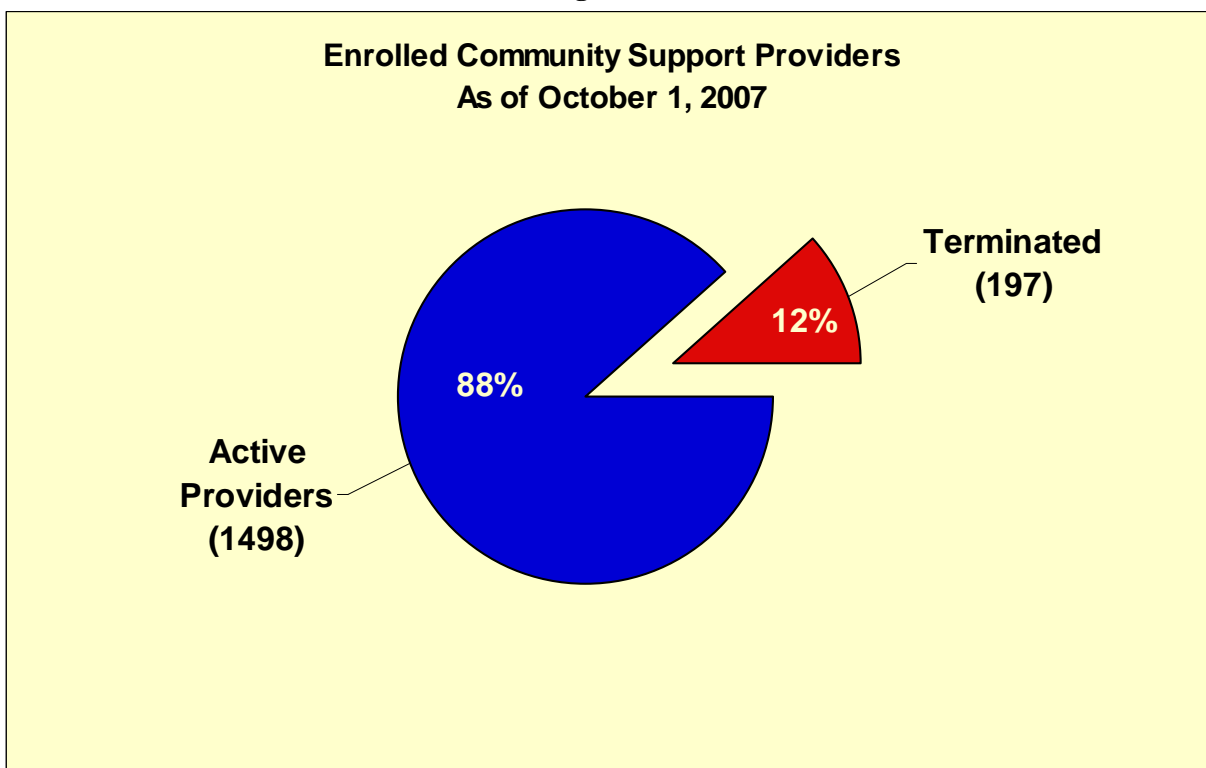


Community Support Providers

Number of Enrolled Providers

As of October 1, 2007, a total of 1,695 providers had been enrolled to provide community support services. [Note: Providers are identified by the specific location from which services are delivered; the number of 1,695 represents distinct provider numbers. A single business entity that is enrolled for multiple sites will have multiple provider numbers.] Of these, 197 had been terminated prior to that date. DHHS implemented a new policy for provider endorsement and enrollment in October and has begun tracking re-enrollment information, which will be reported in future reports.

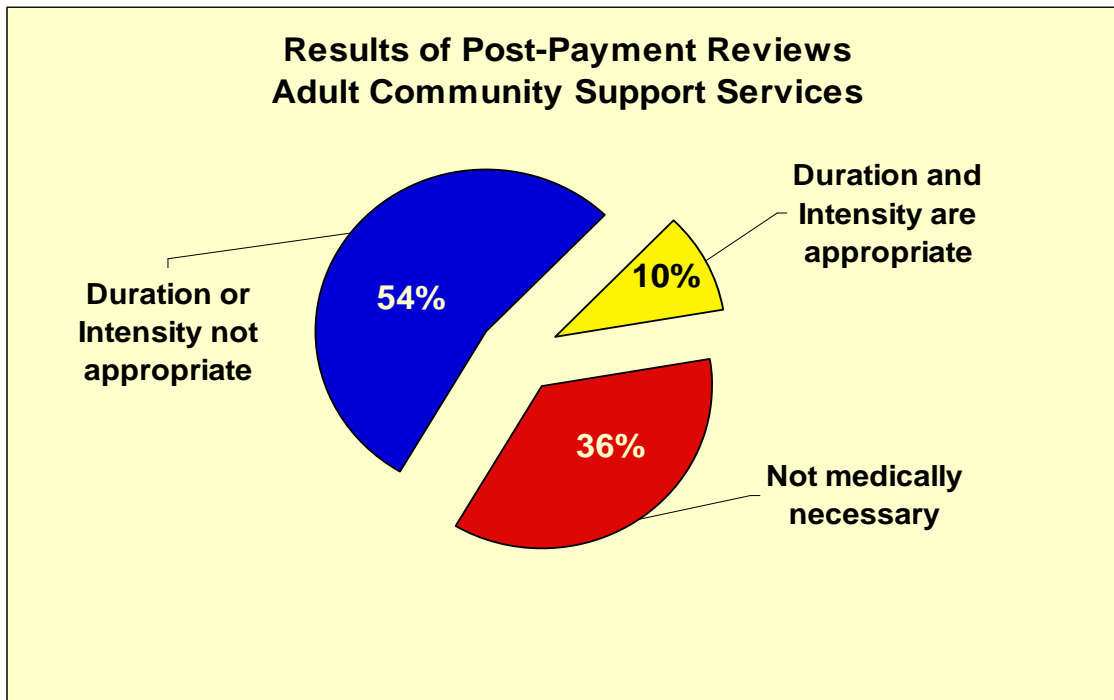
Figure 2.1



Clinical Post-Payment Reviews

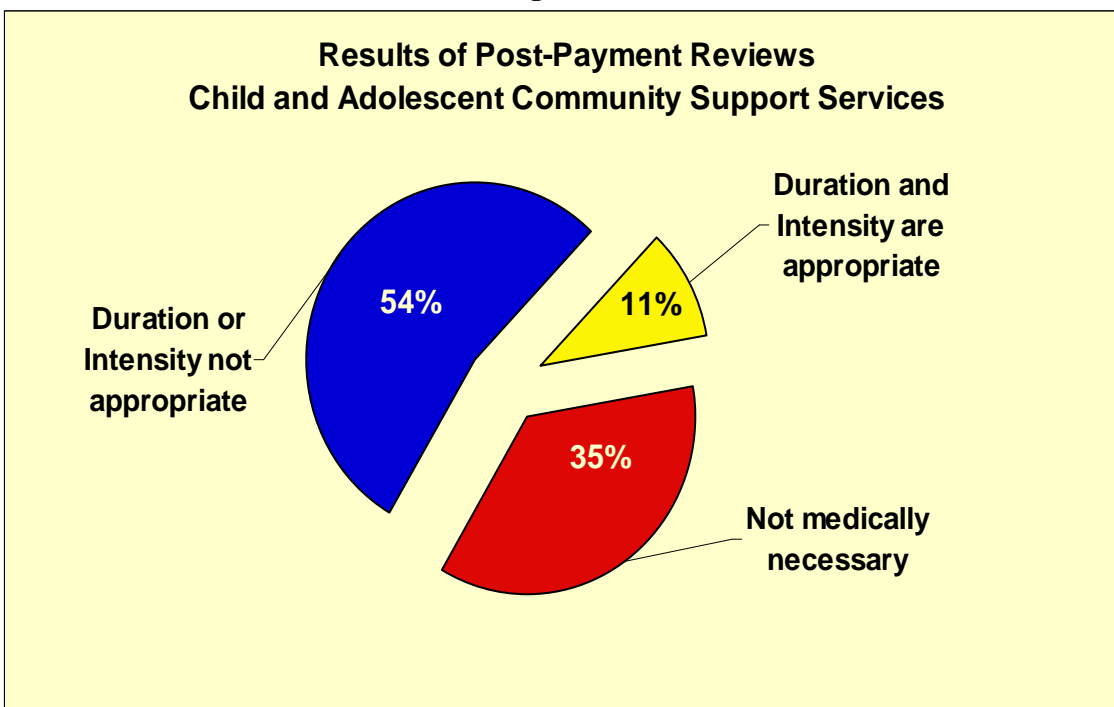
By the end of September 2007, the LMEs had completed post-payment reviews for all consumers who received at least twelve hours per week of community support services (4,155 reviews of adults and 7,646 reviews of children and adolescents). These reviews included 777 provider agencies. As shown in Figure 2.2, only 10% of adults' services were considered medically necessary with appropriate duration and intensity. Another 54% individuals reviewed received community support services that were medically necessary, but not of appropriate duration or intensity. The remaining 36% received services that were determined not to be medically necessary.

Figure 2.2



The pattern for children was quite similar with slightly more of the medically necessary services being of appropriate duration and intensity (11%).

Figure 2.3



Actions Taken and Providers Referred for Further Review

As shown in Figure 2.4 below, over 200 community support providers have been referred to the Division of Medical Assistance (DMA) Program Integrity Section for further scrutiny. Upon completion of review by DMA further referrals, actions and sanctions will occur.

Figure 2.4

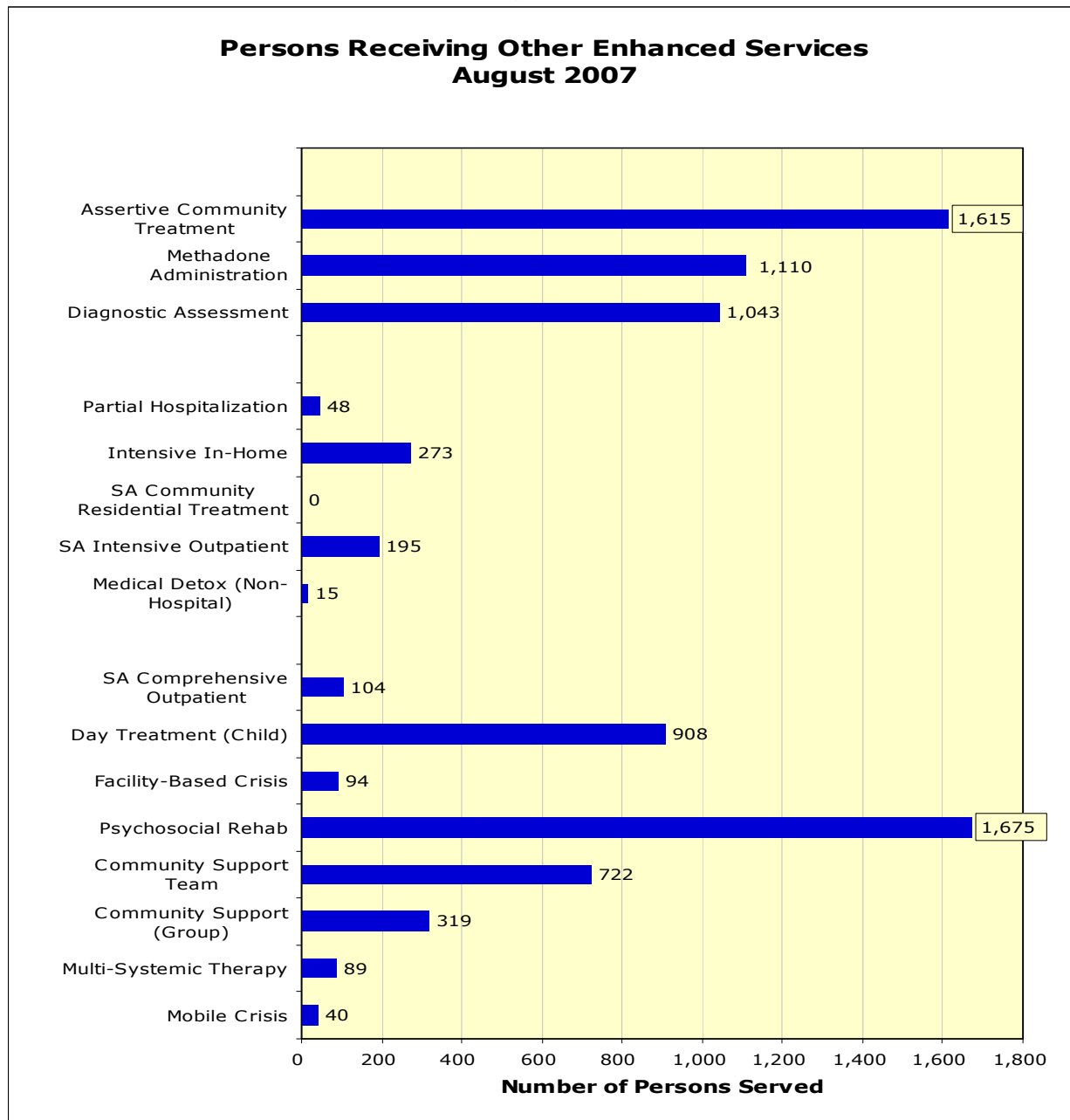
Community Support Providers Referred for Further Action As of October 31, 2007		
Providers Reviewed By LMEs	777	100%
Providers Referred to DMA Program Integrity Section	216	27.8%
Providers Referred to DMA Rapid Action Committee	*	*
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	*	*

* Figures to be included in next month's report.

Use of Other New Enhanced Services

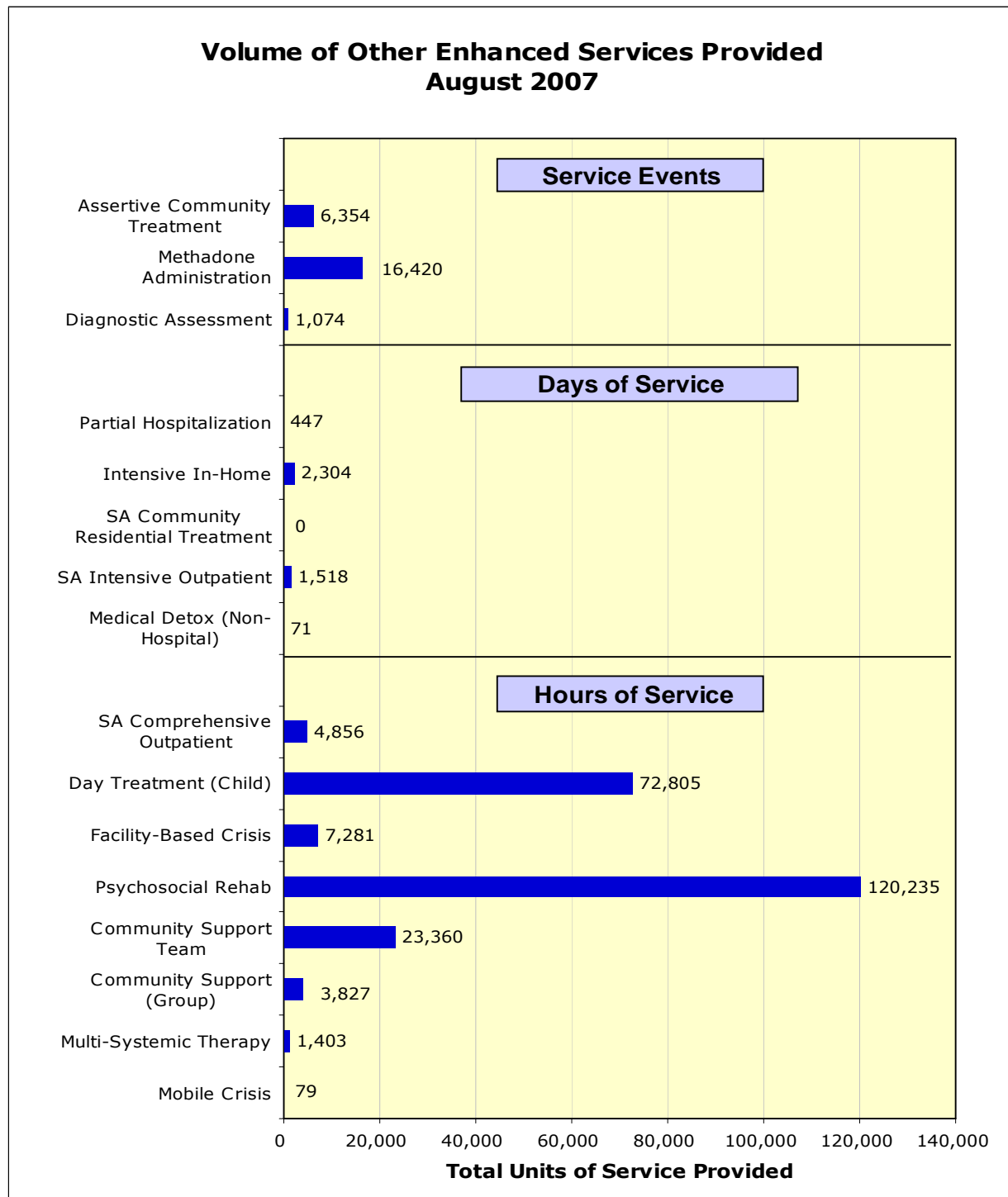
Based on the most complete data available for this report (August 2007), the number of individuals receiving other new enhanced services in August 2007, as shown in Figure 3.1, was much lower than the 41,411 adults, adolescents and children receiving community support during that month. (See Figure 1.1.) The greatest number of persons receiving other enhanced services were in psychosocial rehabilitation (PSR) and assertive community treatment teams (ACTT). The number of persons receiving PSR dropped 15% (from 1,965 to 1,675 consumers) between March 2006 (not shown) and August 2007. The number of persons receiving ACTT decreased 12% (from 1,844 to 1,615 consumers) during the same period.

Figure 3.1



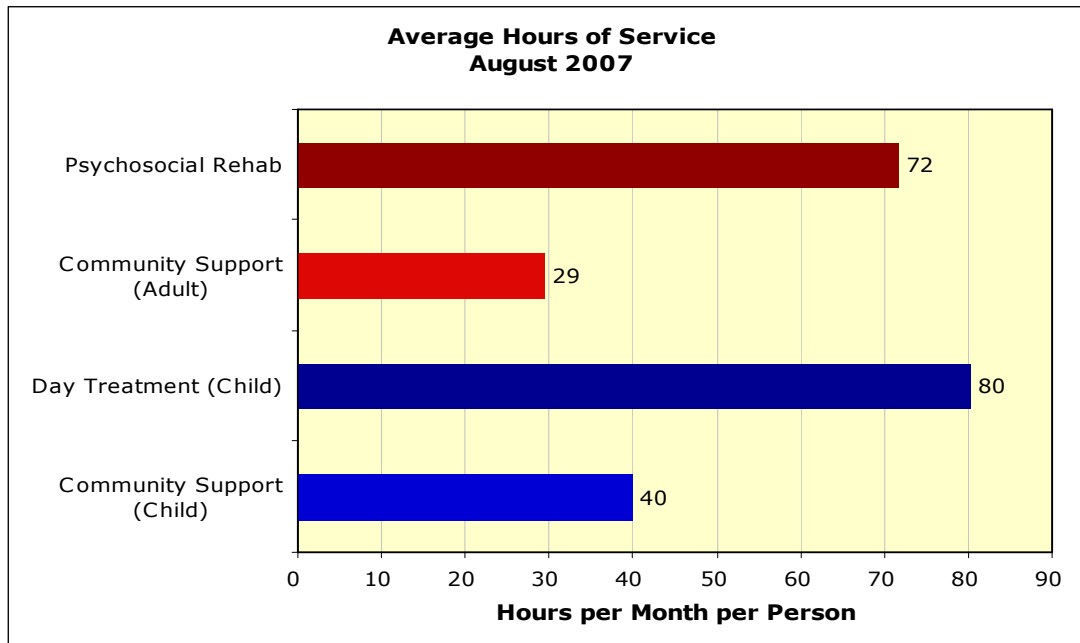
The total hours of service provided in August 2007, was also less for other enhanced services than for community support, as shown in Figure 3.2. For services billed by the hour (or parts of an hour), psychosocial rehabilitation (over 120,000 hours) and child day treatment (almost 73,000 hours) were the highest used services next to community support (at almost 1.5 million hours for all ages combined).

Figure 3.2



The average hours per person for these services show a different pattern, however. As indicated below in Figure 3.3, children and adolescents in day treatment that month averaged twice as many hours as those in community support. Likewise, adults in psychosocial rehabilitation averaged 72 hours of service in August compared to an average of 29 hours for those in community support. (See Figure 1.6.) This is the direction that the service delivery system needs to be developing in order to support other enhanced services.

Figure 3.3



As indicated by Figure 3.4, day treatment is the most costly service per person among these four frequently provided services.

Figure 3.4

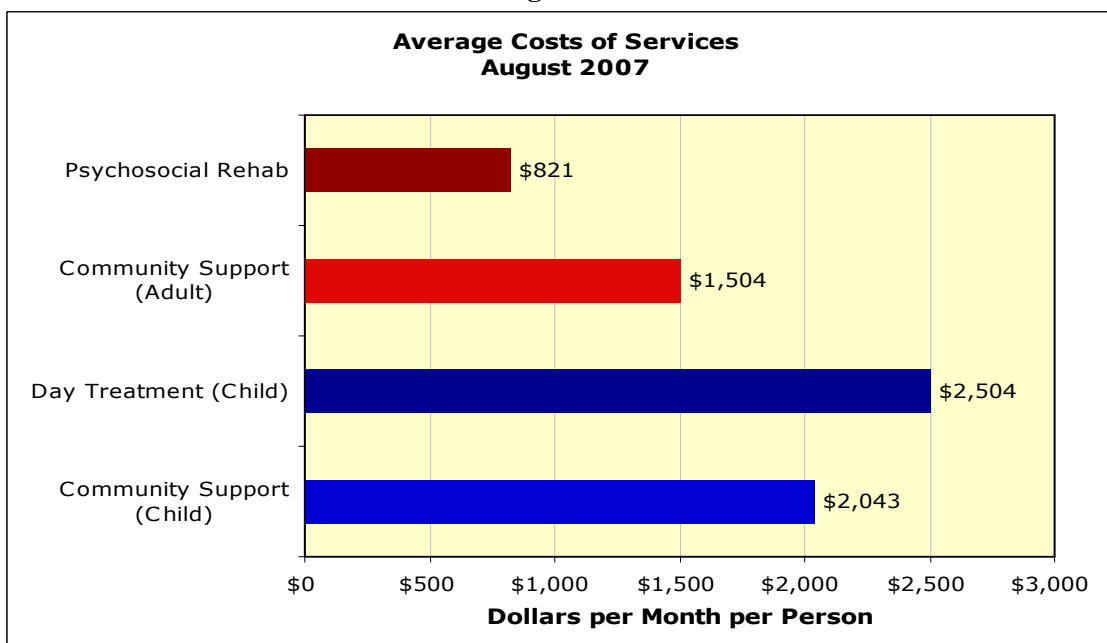


Figure 3.5 shows the total cost of new enhanced services other than community support that were provided in August 2007. Expenditures for child day treatment and ACTT exceeded \$2 million each and the costs of community support team and PSR were about \$1.5 million each. In comparison, community support expenditures for August were \$54.7 million for children and \$22 million for adults. (See Figure 1.3.)

Figure 3.5

